

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		80,446	131,857
Adjustments for:			
Finance costs	7	453	–
Share of profits of an associate		(207)	–
Interest income	5, 6	(1,187)	(222)
Loss on disposal of items of property, plant and equipment	6	27	722
Depreciation	6	18,104	14,570
Recognition of prepaid land lease payments	15	12	34
Amortisation of other intangible assets	16	758	282
Foreign exchange losses, net	6	239	115
Dividend income from equity investments at fair value through profit or loss/short term investments	5, 6	–	(251)
Gain on disposal of equity investments at fair value through profit or loss/short term investments	5, 6	(1,243)	(259)
Goodwill impairment	17	–	4,657
Equity-settled share option expenses	27	4,340	–
Operating profit before working capital changes		101,742	151,505
Increase in inventories		(13,105)	(41,048)
Increase in trade receivables		(3,789)	(11,295)
Increase in prepayments, deposits and other receivables		(21,599)	(42,143)
Increase/(decrease) in trade payables		(11,984)	40,553
Increase in other payables and accruals		3,241	6,699
Cash generated from operations		54,506	104,271
Income taxes paid		(191)	–
Net cash inflow from operating activities		54,315	104,271
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,187	222
Purchases of items of property, plant and equipment	31	(29,015)	(64,555)
Additions to prepaid land lease payments	15	(13,219)	(672)
Proceeds from disposal of items of property, plant and equipment		34	–
Acquisition of business	29	(3,047)	(4,895)
Acquisition of an associate		(1,313)	–
Net proceeds from disposal of equity investments at fair value through profit or loss/short term investments		1,243	259
Dividend income from disposal of equity investments at fair value through profit or loss/short term investments		–	251
Net cash outflow from investing activities		(44,130)	(69,390)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash outflow from investing activities		(44,130)	(69,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	26	100,000	–
Share issue expenses	26	(2,552)	–
New bank loans		–	13,000
Repurchase of shares	26	(24,219)	–
Exercise of share options	26	11,220	17,633
Repayment of bank loans		(662)	–
Interest paid		(453)	–
Dividends paid		(59,725)	(57,148)
Net cash inflow/(outflow) from financing activities		23,609	(26,515)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		85,758	77,392
Effect of foreign exchange rate changes, net		(239)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	119,313	85,758